



The State of Utah

Department of
Natural Resources

Division of
Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

Representatives Present During the Inspection:

Company Vicky S. Miller Environmental Specialist

Inspection Report

Permit Number:	C0070039
Inspection Type:	COMPLETE
Inspection Date:	Tuesday, November 25, 2003
Start Date/Time:	11/25/2003 8:30:00 AM
End Date/Time:	11/25/2003 2:00:00 PM
Last Inspection:	Wednesday, October 15, 2003

Inspector: Pete Hess, Environmental Scientist III

Weather: High clouds, cold; twenties Fahrenheit

InspectionID Report Number: 111

Accepted by: pgrubaug
12/05/2003

Permittee: **CANYON FUEL COMPANY LLC**

Operator: **CANYON FUEL COMPANY LLC**

Site: **DUGOUT CANYON MINE**

Address: **PO BOX 1029, WELLINGTON UT 84542**

County: **CARBON**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

Current Acreages

7,083.71	Total Permitted
22.65	Total Disturbed
	Phase I
	Phase II
	Phase III

Mineral Ownership

- ☒ Federal
- ☒ State
- ☐ County
- ☒ Fee
- ☐ Other

Types of Operations

- ☒ Underground
- ☐ Surface
- ☐ Loadout
- ☐ Processing
- ☐ Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The permittee's drilling contractor has completed the G-3 degasification well. Due to the sudden change in weather conditions, the permittee was not able to complete the contemporaneous reclamation of the G-3 site. The only activity which the permittee was able to complete at the G-2 site was topsoil recovery. Ms. Miller indicated that the G-2 soil storage pile would be hand seeded in the near future.

The permittee has not initiated the construction of the sediment traps at the Mine site, which was permitted via TASK ID#1749.

The permittee has completed all of the hydroseeding activities at the waste rock site, as well as the soil pile which needed seeding within the SC3/Dugout storage area along the Nine Mile Canyon road.

Inspector's Signature: _____

Pete Hess, Environmental Scientist III

Inspector ID Number: 46

Date Wednesday, November 26, 2003

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining

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Inspection Continuation Sheet

Page 2 of 4

REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENT

1. *Substantiate the elements on this inspection by checking the appropriate performance standard.*
 - a. *For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.*
 - b. *For PARTIAL inspections check only the elements evaluated.*
2. *Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.*
3. *Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.*
4. *Provide a brief status report for all pending enforcement actions, permit conditions, Division Orders, and amendments.*

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. Topsoil

The permittee was only able to recover the topsoil associated with the 1.21 acres of disturbance associated with degasification well G-2. Ms. Miller indicated that the soil storage pile would be seeded by hand, as soon as possible. The hydroseeding of the soil pile which was constructed from the material coming from the canyon in which the secondary electrical substation was constructed (this pile is located in the SC3/Dugout material yard along the Nine Mile Canyon road) has been completed.

4.c Hydrologic Balance: Other Sediment Control Measures

The permittee recently received Division approval to install a concrete sediment trap up channel of the Mine site sediment containment. The purpose of the trap is to reduce the cleanout frequency for the pond. Several other improvements to the surface drainage plan were also permitted. To date, none of these have been implemented.

4.d Hydrologic Balance: Water Monitoring

The permittee notified the Division on October 13, 2003 that the third quarter 2003 surface and ground water monitoring information for the Dugout Canyon permit area was ready for uploading into the Division's EDI database. Discharge monitoring reports for the site's four permitted UPDES outfalls were reviewed for the months of August through October, 2003. The only outfall having reportable flows was the 001A, the mine water discharge point. This is located immediately above the main facilities. There was no flow observed in Dugout Creek, with the exception of the volume which was being added from 001A.

4.e Hydrologic Balance: Effluent Limitations

The permittee presented a copy of the five day written notification letter to DWQ, which informed that agency of an exceedance of the effluent parameter for iron from a November sample. The permittee has been discharging mine water from the old Knight Mine works on a continuous basis, to prevent the creation of a mining hazard within the underground works. This discharge has created a concern for both the permittee and the regulatory agency involved, as the permittee has reported this exceedance of iron on several previous occasions. It must be noted that the permittee is in complete compliance relative to the verbal and written notification requirements of their UPDES permit, which remains in effect until April 30, 2008.

7. Coal Mine Waste, Refuse Piles, Impoundments

The permittee performed the third quarter of 2003 waste rock pile inspection on September 29, 2003. Mr. Dave Spillman, P.E. performed the inspection and certified the report on October 9. There were no signs of instability, or other hazards noted during the 9/29 inspection.

11. Contemporaneous Reclamation

Although the drilling of degasification well G-3 has been completed, the contemporaneous reclamation associated with the reduction of the disturbed area, and the installation of a perimeter fence has not been completed, due to the abrupt change in weather conditions.

13. Revegetation

The permittee has completed the hydroseeding of several other areas within the waste rock storage facility, including the following; the inslope/bermed area/berm adjacent to the northern disturbed area boundary, the acreage between the suboil and topsoil storage areas, and the resource retention basin on the southern end of the topsoil storage pile.

14. Subsidence Control

The permittee had Mr. Bruce T.S. Ware conduct the annual subsidence monitoring survey for the Dugout Canyon permit area. The survey was completed on June 6, 2003; a map has been prepared for submittal with the annual report for 2003.